

**PT. Indofood CBP Sukses Makmur Tbk.**

Consumer Goods, Food and Beverage  
9 December 2021

Price **IDR. 8,775**  
Target **IDR. 11,340**  
JKSE Index **6,603.798**



**Stock code**

Bloomberg code **ICBP JJ**  
Market cap (in Bn) **102,330**  
52-week high **10,025**  
52-week low **7,625**  
6-m avg.dail.val (IDR) **8,532**  
Free Float (%) **19.47%**

**Major Share Holders (%)**

PT Indofood Sukses Makmur Tbk **80.53%**  
Public **19.47%**

**USD/IDR-YE**

2020 **14,175**  
2021F (6m-avg) **14,487**

Analyst:  
Eka Rahmawati Rahman

**Investment Considerations**

**BUY**

**Double-digit sales growth**

- In 3Q2021, ICBP booked double digit sales growth of +33% YoY or 10% QoQ to IDR 14.4 trillion. For 9M2021, sales growth was also a double digit 25.7% YoY to IDR 42.6 trillion, and this is in line with our forecast.
- Noodles recorded faster growth of +42% YoY or 12% QoQ to IDR 10.5 trillion in 3Q2021. Noodles EBIT margin was higher at 21.8% compared to 20.9% in 3Q2020.
- Dairy sales were up +15% or +2% QoQ to IDR 2.24 trillion. Dairy EBIT margin decreased to 6.5% from 10.8% from higher cogs, up +20% YoY.
- Snack Food sales were IDR 902 billion which is an increase of +32% YoY or +20% QoQ, but snack food EBIT margin was lower at 5.6% from 11.4% last year.
- Food Seasoning sales decreased -4% YoY or -10% QoQ to IDR 635 billion with a lower EBIT margin of 11.5%.
- Nutrition & Special Food sales increased +20% YoY or +8% QoQ to IDR 270 billion.
- Beverages recorded growth of +21% YoY to IDR 331 billion, but the EBIT margin was negative after a positive margin in 1Q2021.
- We maintain our double-digit sales growth target for this year of +23% YoY to IDR 57.26 trillion.

**Higher Margins**

- In 3Q2021, ICBP booked profit of IDR 1.74 trillion, up sharply +199% YoY or +17.8% QoQ with a higher net profit margin of 12.1% from 5.4% in 3Q2020.
- For 9M2021, net profit increased +25.4% YoY to IDR 4.97 trillion with a stable NPM of 36.4%.
- The cost of goods sold increased +36.1% YoY from an increases in raw materials. However ICBP's gross profit still grew +27.5% YoY or 11.8% QoQ to IDR 5.1 trillion in 3Q2021. This resulted in a lower GPM from 36.9% in 3Q2020 to 35.4% in 3Q2021.
- For 9M2021, gross profit still grew +26% YoY to IDR 15.5 trillion.
- As 3Q2021 profit growth is faster than expected, we revise up our 2021F profit target to IDR 7.2 trillion or +10.5% YoY.

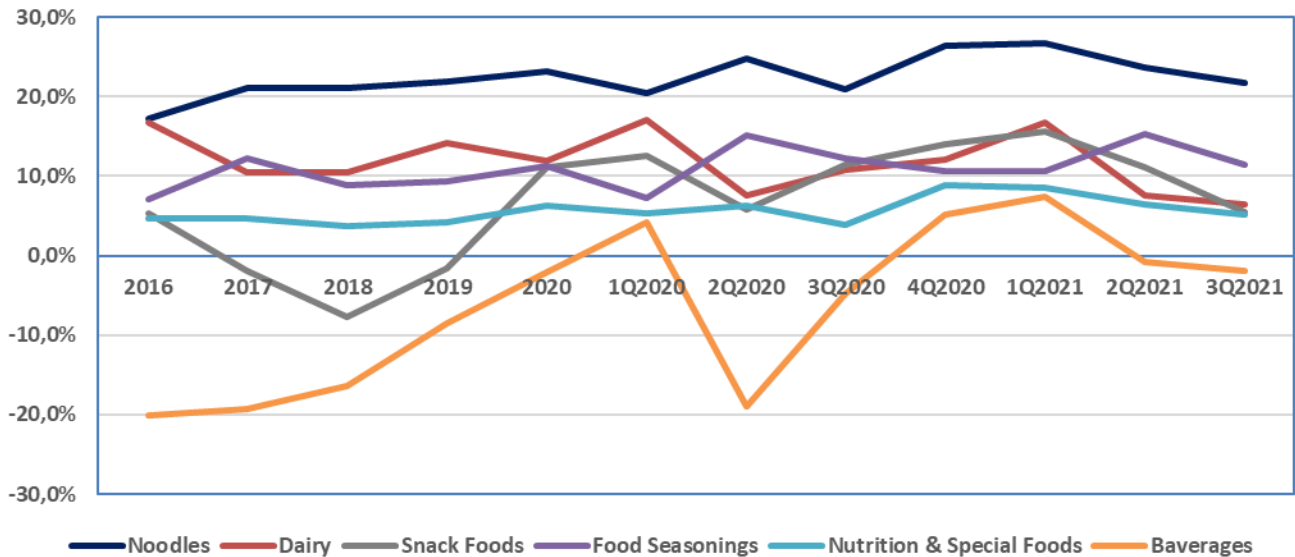
**Valuation: Maintain BUY with TP 11,340**

- We are targeting ICBP to reach IDR 11,340 or 33.4% upside, which is a 15x PE valuation within one year. Maintain BUY.

Financial Highlights	2016A	2017A	2018A	2019A	2020A	2021F	2022F
Net Sales (IDR Bn)	34.375	35.606	38.413	42.297	46.641	57.263	68.508
EBITDA (IDR Bn)	5.773	6.035	7.513	8.626	11.742	14.851	16.986
Net Profit (IDR Bn)	3.600	3.796	4.576	5.039	6.587	7.278	8.707
EPS (IDR)	309	326	392	432	565	624	747
GPM (%)	31%	31%	32%	34%	37%	37%	37%
OPM (%)	14%	15%	17%	17%	20%	21%	21%
ROE (%)	20%	19%	21%	20%	22%	22%	25%
ROA (%)	12%	12%	13%	13%	6%	7%	8%

Source: Company and Binaartha

Chart: EBIT Margin by Segment YoY



Source: Company &amp; Binaartha

Table: Income Statement in IDR. Billion QoQ &amp; YoY

Income Statement ( in IDR Bn)									
	1Q2021	2Q2021	3Q2020	3Q2021	YoY	QoQ	9M2020	9M2021	YoY
<b>Net Sales</b>	<b>15.092</b>	<b>13.107</b>	<b>10.849</b>	<b>14.423</b>	<b>32,9%</b>	<b>10,0%</b>	<b>33.897</b>	<b>42.622</b>	<b>25,7%</b>
Cost of Sales	-9.221	-8.546	-6.851	-9.324	36,1%	9,1%	-21.567	-27.090	25,6%
<b>Gross Profit</b>	<b>5.872</b>	<b>4.561</b>	<b>3.998</b>	<b>5.099</b>	<b>27,5%</b>	<b>11,8%</b>	<b>12.329</b>	<b>15.532</b>	<b>26,0%</b>
Operating Expense	-2.053	-2.019	-2.251	-2.636	17,1%	30,6%	-5.905	-6.708	13,6%
<b>Operating income</b>	<b>3.819</b>	<b>2.543</b>	<b>1.747</b>	<b>2.463</b>	<b>41,0%</b>	<b>-3,1%</b>	<b>6.425</b>	<b>8.824</b>	<b>37,4%</b>
Other Income	-1.170	-167	-748	206	-127,5%	-223,4%	-681	-1.131	66,0%
<b>PBT</b>	<b>2.648</b>	<b>2.376</b>	<b>999</b>	<b>2.669</b>	<b>167,2%</b>	<b>12,3%</b>	<b>5.743</b>	<b>7.693</b>	<b>33,9%</b>
Taxes	-520	-540	-247	-552	123,4%	2,2%	-1.406	-1.611	14,6%
<b>NIAT</b>	<b>2.129</b>	<b>1.836</b>	<b>752</b>	<b>2.117</b>	<b>181,5%</b>	<b>15,3%</b>	<b>4.338</b>	<b>6.082</b>	<b>40,2%</b>
Minority Interest	-392	-351	-168	-369	120,1%	5,0%	-375	-1.112	0,0%
<b>Net Profit</b>	<b>1.737</b>	<b>1.485</b>	<b>584</b>	<b>1.748</b>	<b>199,1%</b>	<b>17,8%</b>	<b>3.963</b>	<b>4.970</b>	<b>25,4%</b>
<b>EPS (in IDR)</b>	<b>149</b>	<b>127</b>	<b>584</b>	<b>1.748</b>	<b>199,1%</b>	<b>1273,4%</b>	<b>3.963</b>	<b>4.970</b>	<b>25,4%</b>
<b>GPM (%)</b>	<b>38,9%</b>	<b>34,8%</b>	<b>36,9%</b>	<b>35,4%</b>			<b>36,4%</b>	<b>36,4%</b>	
<b>OPM (%)</b>	<b>25,3%</b>	<b>19,4%</b>	<b>16,1%</b>	<b>17,1%</b>			<b>19,0%</b>	<b>20,7%</b>	
<b>NPM (%)</b>	<b>11,5%</b>	<b>11,3%</b>	<b>5,4%</b>	<b>12,1%</b>			<b>11,7%</b>	<b>11,7%</b>	

Source: Company &amp; Binaartha

Table: Income Statement in IDR. Billion YoY

Income Statement ( in IDR Bn)	2016 A	2017 A	2018 A	2019 A	2020 A	2021 F	2022 F
<b>Net Sales</b>	<b>34.375</b>	<b>35.606</b>	<b>38.413</b>	<b>42.297</b>	<b>46.641</b>	<b>57.263</b>	<b>68.508</b>
Cost of Sales	-23.607	-24.548	-26.148	-27.892	-29.417	-36.076	-43.160
<b>Gross Profit</b>	<b>10.768</b>	<b>11.058</b>	<b>12.266</b>	<b>14.405</b>	<b>17.224</b>	<b>21.187</b>	<b>25.348</b>
Operating Expense	-5.904	-5.837	-5.818	-7.004	-8.023	-9.162	-10.961
<b>Operating income</b>	<b>4.864</b>	<b>5.221</b>	<b>6.448</b>	<b>7.401</b>	<b>9.201</b>	<b>12.025</b>	<b>14.387</b>
Other Income	125	-15	-1	37	758	-859	-1.028
<b>PBT</b>	<b>4.989</b>	<b>5.206</b>	<b>6.447</b>	<b>7.438</b>	<b>9.959</b>	<b>11.166</b>	<b>13.359</b>
Taxes	-1.358	-1.663	-1.788	-2.077	-2.540	-2.457	-2.939
<b>NIAT</b>	<b>3.631</b>	<b>3.543</b>	<b>4.659</b>	<b>5.361</b>	<b>7.419</b>	<b>8.710</b>	<b>10.420</b>
Minority Interest	-31	253	-83	-321	-832	-1.432	-1.713
<b>Net Profit</b>	<b>3.600</b>	<b>3.796</b>	<b>4.576</b>	<b>5.039</b>	<b>6.587</b>	<b>7.278</b>	<b>8.707</b>
<b>EPS (in IDR)</b>	<b>309</b>	<b>326</b>	<b>392</b>	<b>432</b>	<b>565</b>	<b>624</b>	<b>747</b>
<b>EBITDA</b>	<b>5.773</b>	<b>6.035</b>	<b>7.513</b>	<b>8.626</b>	<b>11.742</b>	<b>14.851</b>	<b>16.986</b>

Source: Company &amp; Binaartha

Table: Cash Flow in IDR. Billion YoY

Cash Flow (in IDR.bn)	2016A	2017A	2018A	2019A	2020A	2021F	2022F
+ Net Income	3.600	3.796	4.576	5.039	6.587	7.278	8.707
+Depreciation	605	675	841	1.027	1.112	1.119	1.215
- Change in WC	-428	-225	-1.204	450	-295	2.978	-288
<b>Cash From Operating Activities</b>	<b>3.777</b>	<b>4.246</b>	<b>4.213</b>	<b>6.516</b>	<b>7.404</b>	<b>11.375</b>	<b>9.634</b>
capex	-1.336	-2.385	-6.047	-2.865	-61.900	-2.578	-392
<b>cash from investing activities</b>	<b>-1.336</b>	<b>-2.385</b>	<b>-6.047</b>	<b>-2.865</b>	<b>-61.900</b>	<b>-2.578</b>	<b>-392</b>
Long-term debt	-544	83	-103	850	29.071	722	-2.036
Other Long term liabilities	304	454	60	207	9.542	-8.740	-1.498
equity	-1.486	-1.973	-2.192	-1.076	17.060	-855	-2.529
<b>cash from financing activities</b>	<b>-1.726</b>	<b>-1.437</b>	<b>-2.235</b>	<b>-18</b>	<b>55.672</b>	<b>-8.873</b>	<b>-6.064</b>
<b>Net Changes in Cash</b>	<b>715</b>	<b>424</b>	<b>-4.069</b>	<b>3.633</b>	<b>1.176</b>	<b>-76</b>	<b>3.178</b>
<b>Beginning Balance</b>	<b>7.658</b>	<b>8.372</b>	<b>8.797</b>	<b>4.727</b>	<b>8.359</b>	<b>9.535</b>	<b>9.460</b>
<b>Ending balance</b>	<b>8.372</b>	<b>8.796</b>	<b>4.727</b>	<b>8.359</b>	<b>9.535</b>	<b>9.460</b>	<b>12.638</b>

Source: Company &amp; Binaartha

Table: Statement of Financial Position in IDR. Billion YoY

Statement of Financial Position (in IDR Bn)	2016A	2017A	2018A	2019A	2020A	2021F	2022F
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	8.372	8.797	4.727	8.359	9.535	9.460	12.638
Trade Accounts Receivable	3.894	4.126	4.271	4.132	5.747	7.444	8.221
Inventories	3.110	3.262	4.001	3.841	4.587	5.154	6.166
Others Current Assets	196	395	1.122	293	847	1.031	1.370
<b>Total Current Assets</b>	<b>15.571</b>	<b>16.579</b>	<b>14.122</b>	<b>16.625</b>	<b>20.716</b>	<b>23.088</b>	<b>28.395</b>
<b>NONCURRENT ASSETS</b>							
Fixed Assets	7.114	8.120	10.742	11.342	13.351	14.470	15.686
Long-term Investment	1.632	2.645	2.705	3.890	10.645	10.880	10.276
Other Noncurrent Assets	4.584	4.275	6.799	6.851	58.876	58.981	57.546
<b>Total Noncurrent Assets</b>	<b>13.331</b>	<b>15.040</b>	<b>20.246</b>	<b>22.084</b>	<b>82.872</b>	<b>84.331</b>	<b>83.508</b>
<b>TOTAL ASSETS</b>	<b>28.902</b>	<b>31.619</b>	<b>34.367</b>	<b>38.709</b>	<b>103.588</b>	<b>107.419</b>	<b>111.903</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Short-term Bank Loans	573	921	1.058	703	725	573	685
Trade Account Payable	3.083	3.519	3.706	3.258	3.907	3.149	3.425
Others Current Liabilities	2.813	2.387	2.471	2.596	4.544	10.880	12.331
<b>Total Current Liabilities</b>	<b>6.470</b>	<b>6.828</b>	<b>7.235</b>	<b>6.556</b>	<b>9.176</b>	<b>14.602</b>	<b>16.442</b>
<b>NONCURRENT LIABILITIES</b>							
Long-term debt	872	955	852	1.702	30.773	31.495	29.458
Others Noncurrent Liabilities	3.059	3.513	3.573	3.780	13.321	4.581	3.083
<b>Total Noncurrent Liabilities</b>	<b>3.931</b>	<b>4.468</b>	<b>4.425</b>	<b>5.482</b>	<b>44.094</b>	<b>36.076</b>	<b>32.541</b>
<b>TOTAL LIABILITIES</b>	<b>10.401</b>	<b>11.295</b>	<b>11.660</b>	<b>12.038</b>	<b>53.270</b>	<b>50.678</b>	<b>48.983</b>
Non-controlling interest	937	761	1.088	1.370	20.888	24.050	28.773
<b>EQUITY</b>	<b>17.564</b>	<b>19.563</b>	<b>21.619</b>	<b>25.301</b>	<b>29.430</b>	<b>32.691</b>	<b>34.147</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>28.902</b>	<b>31.619</b>	<b>34.367</b>	<b>38.709</b>	<b>103.588</b>	<b>107.419</b>	<b>111.903</b>

Source: Company &amp; Binaartha

Table: Ratio Highlights YoY

	2016A	2017A	2018A	2019A	2020A	2021F	2022F
<b>Growth (% YoY)</b>							
Sales	8,3%	3,6%	7,9%	10,1%	10,3%	22,8%	19,6%
OP	42,8%	7,3%	23,5%	14,8%	24,3%	30,7%	19,6%
EBITDA	18,5%	4,5%	24,5%	14,8%	36,1%	26,5%	14,4%
NP	20,0%	5,4%	20,5%	10,1%	30,7%	10,5%	19,6%
EPS	-40,0%	5,4%	20,5%	10,1%	30,7%	10,5%	19,6%
<b>Profitability</b>							
Gross Margin	31,3%	31,1%	31,9%	34,1%	36,9%	37,0%	37,0%
Operating Margin(%)	14,2%	14,7%	16,8%	17,5%	19,7%	21,0%	21,0%
EBITDA margin(%)	16,8%	16,9%	19,6%	20,4%	25,2%	25,9%	24,8%
NET Profit margin(%)	10,5%	10,7%	11,9%	11,9%	14,1%	12,7%	12,7%
ROA(%)	12,5%	12,0%	13,3%	13,0%	6,4%	6,8%	7,8%
ROE(%)	20,5%	19,4%	21,2%	19,9%	22,4%	22,3%	25,5%
<b>Solvability (x)</b>							
Tot. debt/ Tot.equity	0,59	0,58	0,54	0,48	1,81	1,55	1,43
Debt Ratio	2,78	2,80	2,95	3,22	1,94	2,12	2,28
<b>Liquidity (x)</b>							
Current Ratio	2,41	2,43	1,95	2,54	2,26	1,58	1,73
Cash Ratio	1,29	1,29	0,65	1,27	1,04	0,65	0,77
<b>Per Share data (IDR)</b>							
EPS	309	326	392	432	565	624	747
BV	1.506	1.678	1.854	2.170	2.524	2.803	2.928
EBITDA/share	495	517	644	740	1.007	1.273	1.457

Source: Company &amp; Binaartha

**Stock Ratings:**

Buy : a recommendation to purchase the security with upside potential of **20% or greater**

Hold : a recommendation to neither buy nor sell a security with upside potential of **0-19%**.

Sell : a recommendation to close out a long position in a security with upside potential **below 0% or negative**.

**RESEARCH TEAM**  
**(62 21) 520 6678 ext. 611**

*Disclaimer; PT Binaartha Sekuritas has compiled this report in good faith, using information believed to be reliable. PT Binaartha Sekuritas and its analysts take no responsibility for the accuracy of the information contained in this report. This report has been produced for distribution to clients of PT Binaartha Sekuritas only. This report is not an invitation to buy or sell any security. PT Binaartha Sekuritas may have used the information in this report prior to publication. The company or its clients may have positions in or may from time to time buy or sell the securities mentioned in this report or other related securities.*